

**AUGUST 29, 2019**

**Directive 2019-18**

**TO: ALL PARTICIPATING LENDERS**

**SUBJECT: FEDERAL HOUSING FINANCE AGENCY (FHFA) AREA MEDIAN INCOME (AMI) UPDATE**

This Directive is issued in anticipation of the changes announced by FHFA and U.S. Bank (USB) for conventional loans with borrower income up to 50% of the jurisdiction Area Median Income (AMI), above 50 and up to 80% and above 80%, reflected in the Desktop Underwriter (DU) certificates dated 9/5/19 and after. (*AMI's are based on current Fannie/Freddie limits posted on their websites or in DU/LPA by county*)

The Maryland Mortgage Program (MMP) is providing a new set of program codes (enclosed in the last page) to be used accordingly.

We are happy to confirm that regardless of the borrower income vs. AMI, MMP will quote the **same rate for all conventional loans** (above and below 80% AMI, run through LPA or DU).

USB will use the DU certificate run date to determine which loans are subject to the new AMI requirements for above and below 80% AMI. Effective today lenders will have the ability to reserve loans with the Maryland Mortgage Program (MMP) using the new program codes listed below.

Note: We do not need to separate the codes for loans with borrower income between 50 and 80% AMI as the sorting and pooling of those loans is performed by USB based on the DU certificates, irrespective of the codes. Loans with borrower income above 80% AMI are handled differently at their end.

Please note that lenders are solely responsible for determining the level of the borrower income vs. AMI; MMP does not review the respective calculations or the DU certificate.

Also, as usual, we are strongly encouraging our partner lenders to closely monitor the changes (overlays) announced by all the parties involved in these transactions (CDA, USB, FNMA, FHFA, FHLMC and the MIs) in relation to their guidelines. (For example, at the direction of the GSEs, MIs are implementing new coverage levels for certain conventional loans for borrowers with income above 80% AMI.)

MMP is maintaining its (household) income level requirements by jurisdiction.



As always, we appreciate your continued participation in our programs.

If you have any questions concerning this Directive or suggestions for improvements, please email [singlefamilyhousing.dhcd@maryland.gov](mailto:singlefamilyhousing.dhcd@maryland.gov).

Sincerely,

*Karl Metzgar*

Karl Metzgar  
Assistant Director / Operations Manager  
Single Family Housing

## NEW PROGRAM CODES

### Flex DPA:

Bond Series: **861 - FLEX FNMA = OR <80% AMI**  
Program Codes: 309 - FLEX 5000 CONV = OR <80% AMI  
588 - FLEX 3% DPA CONV = OR <80% AMI

Bond Series: **871 - FLEX FNMA >80% AMI**  
Program Codes: 722 - FLEX 5000 CONV >80% AMI  
724 - FLEX 3% DPA CONV >80% AMI

Bond Series: **741 - FLEX FNMA >80% AMI+MCC**  
Program Codes: MCC FLEX 5000 CONV >80% AMI - 723  
MCC FLEX 3% DPA CONV >80% AMI - 725

Bond Series: **749 - FLEX FNMA = OR <80% AMI+MCC**  
Program Codes: MCC FLEX 5000 CONV = OR <80% AMI - 602  
MCC FLEX 3% DPA CONV = OR <80% AMI - 591

### Flex Grant:

Bond Series: **862 - FLEX GR FNMA = OR <80% AMI**  
Program Codes: 594 - FLEX 3% GRANT CONV = OR <80% AMI  
371 - FLEX 4% GRANT CONV = OR <80% AMI



Bond Series: **872 - FLEX GR FNMA >80% AMI**  
Program Codes: 726 - FLEX 3% GRANT CONV >80% AMI  
728 - FLEX 4% GRANT CONV >80% AMI

Bond Series: **750 - FLEX GR FNM = OR <80% AMI+MCC**  
Program Codes: MCC FLEX 3% GRANT CONV = OR <80% AMI - 597  
MCC FLEX 4% GRANT CONV = OR <80% AMI - 645

Bond Series: **742 - FLEX GR FNMA >80% AMI+MCC**  
Program Codes: MCC FLEX 3% GRANT CONV >80% AMI - 727  
MCC FLEX 4% GRANT CONV >80% AMI - 729

### **Flex Direct:**

Bond Series: **860 - FLEX DIR FNMA =OR <80%**  
Program Codes: 841 - FLEX DIRECT CONV =OR <80% AMI

Bond Series: **870 - FLEX DIR FNMA >80% AMI**  
Program Codes: 720 - FLEX DIRECT CONV >80% AMI

Bond Series: **748 - FLX D FNMA = OR <80% AMI+MCC**  
Program Codes: MCC FLEX DIRECT CONV = OR <80% AMI - 844  
Bond Series: **740 - FLEX DIR FNMA >80% AMI+MCC**  
Program Codes: MCC FLEX DIRECT CONV >80% AMI - 721

### **1<sup>st</sup> Time Advantage Direct:**

Bond Series: **877 - 1ST TM DIR FNMA >80% AM**  
Program Codes: 730 - 1ST TIME ADV DIRECT CONV >80% AMI

Bond Series: **865 - 1ST TM DIR FNMA = OR <80% AMI**  
Program Codes: 489 - 1ST TM AD DIRECT CONV = OR <80% AMI

### **1st Time Advantage 5000:**

Bond Series: **878 - 1ST TM 5000 FNMA >80% AMI**  
Program Code: 731 - 1ST TIME ADV 5000 CONV >80% AMI

Bond Series: **864 - 1ST TM 5000 FNMA = OR <80% AMI**  
Program Code: 497 - 1ST TM ADV 5000 CONV = OR <80% AMI

### **1<sup>st</sup> Time Advantage 3% DPA:**

Bond Series: **879 - 1ST TM 3% DPA FNMA >80% AMI**  
Program Code: 732- 1ST TIME ADV 3% DPA CONV >80% AMI  
Bond Series: **866 - 1ST TIME 3% DPA FNM = OR <80% AMI**



LARRY HOGAN  
Governor  
BOYD K. RUTHERFORD  
Lt. Governor  
KENNETH C. HOLT  
Secretary

Program Code: 495 - 1ST TM AD 3% DPA CONV = OR <80% AMI

### **Montgomery Homeownership:**

Bond Series: **874 - MNT HM FNMA >80% AMI**  
Program Code: 736 - MNTGMRY HM CONV >80% AMI

Bond Series: **863 - MNT HM FNMA =OR <80% AMI**  
Program Code: 573 - MNTGMRY HM IV CONV = OR <80% AMI

Bond Series: **743 - MNT HM FNMA >80% AMI+MCC**  
Program Code: MCC MNTGMRY HM CONV >80% AMI - 737

Bond Series: **751 - MNT HM FNMA = OR <80% AMI+MCC**  
Program Code: MCC MNT HM IV CONV = OR <80% AMI - 576

### **HomeAbility:**

Bond Series: **892 - HMABILITY FNMA = OR <80% AMI**  
Program Code: 298 - HOMEABILITY CONV >80% AMI

Bond Series: **873 - HMABILITY FNMA >80% AMI**  
Program Code: 735 - HOMEABILITY CONV >80% AMI



**MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

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